Losses of Indian film industry

4576. SHRI RAVULA CHANDRA SEKAR REDDY :

DR. T. SUBBARAMI REDDY :

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether the bleeding Indian film industry needs to release its business model to recover the losses it has made in terms of revenue generation in the calendar year 2002;

(b) if so, whether experts have pointed out that Indian film industry should look at the "studio model" of the 1930s to turn its fortune;

(c) whether the industry has urged Government to help it to grow during the calendar year 2003;

(d) if so, whether any concession have been provided in the budget of 2003-04; and

(e) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI RAVI SHANKAR PRASAD): (a) and (b) The film industry in India is in the private sector. The Government does not maintain statistics relating to the revenue earned by the industry. However according to a report on the industry brought out by FICCI and KPMG titled "The Indian Entertainment Sector—In the Spot Light", the Indian film industry is estimated to have lost nearly Rs. 3 billion on gross revenues of Rs. 39 billion during the year 2002.

As per projections made in the report the industry is likely to break-even within the next 18-24 months, the upswing being driven by consolidation, increasing corporatisation and an eventual integration of various components of the industry *viz.* production, distribution and exhibition. Over the next five years, films produced by large organised houses are projected to grow to around 55% from the current level of 20%.

(c) to (e) In order to facilitate a greater flow of institutional finance to the film industry, a notification dated 16.10.2000 was issued by the Ministry of Finance, whereunder 'Entertainment industry including films' has been specified as an approved activity for extending loans under the IDBI Act. The

Reserve Bank of India has also evolved guidelines to enable commercial banks to fund film production. These steps have eased the flow of institutional finance into film production. In addition, the FDI regime for films has been further liberalised. Several tax concessions have also been given to the film industry during successive budgets. In the budget 2003-04, audio CDs have been exempted from the levy of Central Excise Duty.

Guidelines for setting up of Community Radio Stations

4577. SHRI SURESH PACHOURI:
SHRI K. RAMA MOHANA **RAO** :
SHRI C. P. THIRUNAVUKKARASU :

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether Government have issued any guidelines for the setting up of Community Radio Stations;

(b) if so, the need for such stations;

(c) in what manner Government propose to regulate the functioning of these stations; and

(d) what would be the role of the States in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI RAVI SHANKAR PRASAD) : (a) Yes, Sir, A copy of these guidelines is enclosed as Statement ***(See*** below) :

(b) The basic objective of the Community Radio Broadcasting would be to serve the cause of the community in the service area of the licensee by involving members of the community in the broadcast of their programmes, which will focus on issues relating to education, health, environment, agriculture, rural and community development. The programme content is to be confined to social, cultural and local issues.

(c) The licensee would be governed by the terms and conditions of the license.

(d) The State Governments are required to forward the application of the educational institution recognized by them, to this Ministry, when approached by an applicant. They have also been requested to arrange for wide multimedia publicity to the scheme for setting up of Community Radio Stations.